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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR PERU

Note by the Administrator

Programme period	Illustrative IPF for 1982-1986
1982-1986	$25 million

I. Nature of the programming exercise

1. The third country programme was formulated by the Government, through closely concerted action by the National Planning Institute (INP), the Ministry of Economics, Finance and Trade and the UNDP office in Lima.

2. The programming exercise covered the first nine months of 1981 and was inititated with a note from the Resident Representative setting out the views of UNDP regarding the second programming cycle (1977-1981) and possibilities for the third cycle (1982-1986). INP prepared a series of documents to guide the various sectors of the public administration in identifying their technical co-operation

1/ The notes by the Administrator concerning the previous country programmes for Peru were issued under the document symbols DP/GC/PER/R.1/RECOMMENDATION and DP/GC/PER/R.2/RECOMMENDATION.

requirements to UNDP. Sectoral studies were also made by the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO).

3. The series of requests submitted to INP to be studied under the illustrative indicative planning figure (IPF) represented a total of $71 million, divided between 68 projects. From all these projects, a selection was made on the basis of project density, intrinsic consistency and availability of alternative resources; as a result, 33 projects were selected in five priority areas: natural resources, regional development, human resources, economic services and scientific and technological development.

4. In order to supplement UNDP resources, shared costs have begun to be incorporated in projects of direct benefit to firms or institutions which have sufficient financial resources to assume part of the cost of the project. Shared costs will thus amount to 25 per cent of the total illustrative IPF funds available for programming for 1982-1986, with the possibility of an increase during the third cycle. In addition, arrangements are being made to supplement those funds with contributions from bilateral sources and from multilateral sources inside and outside the United Nations system.

II. Relationship of the country programme to the objectives of the National Development Plan

5. There is a close relationship between the third country programme and the medium-term National Development Plan for 1982-1985. This is particularly advantageous, ensuring that the co-operation requested is compatible with the priorities established in the Plan. The principal development objectives sought under the Plan are as follows:

(a) Annual growth rate of 6 per cent in gross domestic product (GDP), based on expansion of industrial production and of construction on activity and on increased productivity;

(b) Annual growth rate of 12.4 per cent in investment, based on increased savings resulting from an increase in the purchasing power of the public;

(c) Creation of new sources of employment in the various economic sectors, and particularly in the production and basic infrastructure sectors;

(d) Improvement and expansion of existing infrastructure in the sectors of education, health and housing;

(e) Achievement of decentralization and administrative deconcentration; and

(f) Creation of a rational administrative organization of central Government for the effective implementation of development plans.

6. Government action places special emphasis on specific strategies for ensuring accelerated economic growth, with an appreciable improvement in the distribution of income both between social categories and between the various regions of Peru.

7. For this purpose, the Government believes that it needs the co-operation of UNDP in a coherent series of projects which will promote economic growth, increase the country's external autonomy and reduce marginality within Peru.

III. Content of the country programme

8. The programme was devised in the light of the particular advantages offered by the United Nations system. Because of their international character, UNDP and its specialized organs can provide various options and alternatives as regards know-how and technology.

9. Another important aspect of the resulting UNDP co-operation is its catalytic effect on other programmes being executed with bilateral funding, since the involvement of UNDP in a particular project gives it an important backing which is helpful for obtaining such funds.

10. Five main areas of action have been selected for the period 1982-1986:

(a) Natural resources, particularly aspects relating to agriculture and livestock, forest development and the mining sector;

(b) Regional development, with the over-all rural development of a province, hydrology, climatology and agro-meteorology of the Amazon region, the agro-industry sector and its development;

(c) Human resources, including higher technological education, literacy campaigns, development of health services in the Amazon area, physical infrastructure for health, mass training of the rural population using simple audio-visual methods, labour policy and standards, preservation of the cultural heritage;

(d) Economic services, through projects involving aspects such as drinking water and sewerage, shipping, commercial strategy and management, aeronautical infrastructure and the promotion of small and medium-size industries; and

(e) Scientific and technological development, including nuclear energy and its biomedical applications for agriculture and the evaluation of uranium forecasts and deposits, the iron and steel industry, environmental questions, production using fermentation.

11. The illustrative indicative planning figure (IPF) allocated for the period 1982-1986 is $25 million. In the first stage, only $20 million can be programmed, from which an amount of $600,000 has been deducted, representing the amount borrowed from the IPF for the third cycle in order to meet requirements already foreseen for projects in the second country programme (1977-1981). In addition, a reserve of $381,000 has been set aside for major unforeseen expenses in the second programme (1977-1981). Consequently, $19,019,000 are available for the programming of new projects and the extension of ongoing projects. If the reserve of $381,000 becomes available, the unprogrammed reserve will be used to finance additional requirements under the third country programme.

12. The breakdown of resources by sector and by year is given in the annex of the document for the third country programme.